

SPECIAL
POINTS OF
INTEREST:

- Review GFE document carefully
- Beware of surprises at signing.
- Remember companies name same thing differently.
- We can help you review your GFE.

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Good Faith Estimate

Good Faith Estimate or GFE is a document required of all lenders/brokers to be given to clients who apply for a loan within three days of application. This document can help you narrow down the differences between loans from different companies, but be warned that it could be sometimes difficult to zero in on the differences in cost.

We will review this document listing the major items to the list, at least in majority of the cases.

1. Interest Rate: The interest rate may be one of the most important aspect of your loan, determined by the borrower's risk factor -job history, credit history, ability

to repay prior debts (all of these determinants of your FICO), down payment, type of mortgage.

2. Loan Origination: This is always quoted as a percentage of the loan, usually 1-2%.

3. Discount Fees: This fee usually will reduce your interest rate, and is also quoted as percentage of the loan.

4. Mortgage Broker's Fee: Also usually quoted as percentage of the loan. This fee is usually about 1% of the loan, but differs a lot.

5. Admin Fee: The administrative fees is normally charged by brokers.

6. Title Charges: This is fees to conduct a title search

(who really owns the property?), government transfer fees. These charges should be quite similar between lenders/brokers.

7. Prepaid Interest/ Insurance: Remember that you can choose your own insurance. The longer it takes for you to pay your first mortgage, the larger is the prepaid interest.

If fees quoted in this document changes considerably at the time of document signing, be wary of the company. This is an important document that you should read carefully. If you need our help in reviewing one for you, feel free to contact us for this free service.

-Al Som-Any, MBA, President

Managing Your Investment Property

Investing in properties in this tumultuous time is probably the best thing you could do in this very bottom market where we have seen bottom fishers, believe it or not, bidding over properties. We are currently seeing multiple offers on properties, in a recent case ten offers on a particular

property I made an offer for my client.

But managing investment properties can be tricky and not for the faint of heart. For those getting into the act, the most important aspect is getting the right tenants into your property.

Remember that FICO is not

the sole barometer here, but dig a little deeper. Check the court records for unlawful detainer (tenants who refuse to pay rents), criminal records, and other obligations such as child support/alimony. Failure to do these could cost you dearly. Contact us for help.

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